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TO RUEHC/SECSTATE WASHDC PRIORITY 2921
INFO RUEAADN/DTRA DULLES WASHINGTON DC//CT// PRIORITY
RUEKJCS/SECDEF WASHINGTON DC PRIORITY

UNCLAS SOFIA 001639

SIPDIS

SENSITIVE
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EUR/NCE FOR NORDBERG, A/LM/AQM FOR KOSAR, PM/WRA FOR ADAMS

E.O. 12958: N/A

TAGS: [PARM](#) [PREL](#) [AFIN](#) [MARR](#) [BU](#)

SUBJECT: BULGARIA: SA/LW DESTRUCTION HITS A ROADBLOCK

REF: A. STATE 159318

[1](#)B. EMBASSY SOFIA DIP. NOTE #353

[1](#)C. BG MFA DIP. NOTE #54-36-278

[1](#)D. USG CONTRACT #S-LMAQM-01-D-0163

[1](#)E. SENIOR-ADAMS EMAILS

[1](#)1. (U) This is an action request. Please see Paragraph 5.

[1](#)2. (SBU) Embassy Sofia and the GoB are eager to begin work on the USG-financed destruction of excess Small Arms/Light Weapons articles authorized in refTel A. Logistical obstacles remain, however, before the \$400,000 in authorized assistance can be put to use in destroying these potentially destabilizing articles.

[1](#)3. (SBU) BACKGROUND: From 2001-2004, the U.S. funded destruction of excess Bulgarian SA/LW through a direct contract with Bulgarian contractor TEREM (ref. D). In September 2006, however, the Political-Military Bureau advised a different strategy -- obligating assistance funds via diplomatic note and relying on the GoB to execute a contract for implementation of the work. Bulgarian contacts were happy to agree to our proposed dip. note, but have informed us that it will be impossible for the GoB to execute a contract for this work. In the opinion of the Ministry of Defense, such an approach is unworkable for numerous reasons, including the fact that it would violate the terms of our VAT exemption under our bilateral assistance agreement, and the requirement under Bulgarian law for the MoD to initiate an extensive tender procedure for any work to be performed. Due to the Bulgarian government's unwillingness to prepare a contract and the lack of an approved amendment to our USG contract, SA/LW destruction funds are sitting unused.

[1](#)4. (SBU) COMMENT: We currently have a valid fund cite (ref. A), an indefinite quantity contract (ref. D), and a binding diplomatic agreement (refs. B & C) on this subject. In order for this project to move forward, however, we need an approved contract amendment allowing these funds to be obligated under the terms of our existing contract. If a contract amendment is not approved, we will be unable to use these funds for their dedicated purpose. END COMMENT.

[1](#)5. (SBU) ACTION REQUEST: Post requests Department assistance in approving a contract amendment to ref. D in order to allow refTel A funds to be spent for SA/LW destruction.

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